

Shipowners shift antitrust campaign to UK after EU loss

EU decision to end allow the consortia block exemption regulation to expire was 'deeply flawed and incoherent', argues the World Shipping Council

By Richard Meade – Monday 06 Nov 2023

Having lost the fight in Europe to retain the shipping industry's long-running block exemption regulation, shipowners are focusing their efforts on the UK's government review amid fears that a UK move to follow the EU would see other jurisdictions follow their example

SHIPOWNERS are lobbying the UK government to not follow the EU's decision earlier this month to end its consortia block exemption regulation that had allowed container lines to avoid elements of antitrust law.

The [World Shipping Council](#) and the [Asian Shipowners' Association](#) have urged the UK to retain its bloc exemption from antitrust rules for shipping consortia, which is due to expire in April 2024, pending a review by the UK Competition and Markets Authority.

In a letter to the CMA, the WSC and ASA argue that the EU's decision to end its exemption was based on reasoning that "deeply flawed and incoherent" and its findings were "unsound".

Mindful that the UK will have taken note of the EU decision, the shipowners' groups set out a detailed list of concerns regarding the EU decision, and urges the UK "to maintain regulatory certainty instead of increasing bureaucracy".

While the CMA had already made a preliminary recommendation to pass the CBER into UK domestic law post-Brexit without major changes, the EU's decision earlier this month caught much of the industry off guard.

The pivot towards ensuring that the UK does not follow the EU example comes amid concerns that a UK decision to end the block exemption could have the knock-on consequence of influencing other maritime hubs such as [Singapore](#) and [Hong Kong](#), which also retain similar exemptions.

If the Consortia Block Exemption Regulation was allowed to expire in the UK, there would be significant uncertainty over what would replace it, according to the UK Chamber of Shipping, which is supporting the WSC's lobbying.

"The CBER currently provides legal certainty by using precise industry terminology and delivers ongoing operational efficiencies for the benefit of operators, their customers and UK consumers," a UK Chamber spokesperson said.

Shipowners argue that the EU decision has already created uncertainty about what will happen next. In the event the exemption regulation expires in the UK, carriers may

become reluctant to enter into new operational agreements and may even withdraw from existing consortia that operate to and from the UK.

This would mean less frequent services and fewer ports served.

Supporters of the CBER argue that UK consumers would lose much-needed choice and flexibility when arranging transport of cargo as well as the benefit of lower costs.

The European Commission concluded “that the CBER no longer promotes competition in the shipping sector and therefore it will let it expire on April 25, 2024,” it said in a statement.

“Overall, the evidence collected from the stakeholders points towards the low or limited effectiveness and efficiency of the CBER throughout the 2020-2023 period,” the commission said.

The WSC and ASA counter that consortia remain “indispensable”, not least in the fight against climate change “because they allow carriers to maximise operational efficiency through better fleet utilisation”.

The CMA is still carrying out its review.